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Mr. Watson full

CANADIAN MALARTIC GOLD MINES LIMITED

Annual Report 1967

Canadian Malartic Gold Mines Limited

Head Office

21st Floor, 7 King St. East
Toronto, Ontario

Mine Office

Malartic, P.Q.

Officers

J. P. MILLENBACH

President

G. T. N. WOODROOFFE

Vice-President

D. D. ANDERSON

Secretary

J. T. McWHIRTER

Treasurer

Directors

R. C. MOTT*

H. C. HERZ

J. P. MILLENBACH

J. T. McWHIRTER

J. R. SMITH†

G. T. N. WOODROOFFE

* Deceased

† Appointed April 2, 1968

Transfer Agents

ROYAL TRUST COMPANY
Toronto, Ontario, and
Montreal, P.Q.

Auditors

THORNE, GUNN, HELLIWELL &
CHRISTENSON
Toronto, Ontario

Annual Meeting of Shareholders

Queen's Park Room, King
Edward Sheraton Hotel
Toronto, Ontario
3:00 p.m. (Toronto Time)
May 7, 1968

REPORT OF THE DIRECTORS

To the Shareholders:

Your Directors submit herewith the Annual Report of your Company for the fiscal year ended December 31, 1967, including the financial statements and the Report of the Auditors thereon.

Milling of ore from Marbridge Mines Limited continued during 1967. However, that company has advised that operations at its property will be terminated before the end of 1968.

Net proceeds from the sale of fixed assets and scrap amounted to \$58,112. Total revenue, including plant rental and investment income amounted to \$99,247. After deducting expenses and provision for income taxes, a net income of \$50,083 was realized, an increase of \$34,903 from the previous year.

Working capital at December 31, 1967, amounted to \$361,226, an increase of \$51,960.

The main mining property at Malartic and mining claims in Cadillac Township were maintained in good standing. A limited exploration program will be carried out on the Cadillac Township claims in 1968.

Your Directors record with deep regret the death of Mr. R. C. Mott who passed away in January, 1968, after a short illness. Mr. Mott had served as a Director of your Company since 1962.

On behalf of the Board,

J. P. MILLENBACH,

President.

Toronto, Ontario,

April 2, 1968.

Canadian Malartic Gold Mines Limited

(Incorporated under the laws of Canada)

BALANCE SHEET — DECEMBER 31, 1967

(with comparative figures at December 31, 1966)

ASSETS

CURRENT ASSETS

	1967	1966
Cash	\$ 131,223	\$ 69,157
Short term securities at cost which approximates market value	218,375	220,000
Accounts receivable	51,851	70,602
Supplies, at estimated realizable value	2,304	
Prepaid expenses	5,239	992
	<u>406,688</u>	<u>363,055</u>

OTHER ASSETS

Mining properties, buildings, machinery and equipment, at nominal value	1	1
Special refundable tax	923	2,800
	<u>924</u>	<u>2,801</u>
	<u>\$ 407,612</u>	<u>\$ 365,856</u>

LIABILITIES

CURRENT LIABILITIES

Accounts payable and accrued liabilities	\$ 15,293	\$ 34,848
Income taxes payable	30,169	18,941
	<u>45,462</u>	<u>53,789</u>

SHAREHOLDERS' EQUITY

Capital stock		
Authorized — 4,000,000 shares of no par value	92,534	92,534
Issued — 3,651,355 shares	269,616	219,533
Retained earnings	362,150	312,067
	<u>\$ 407,612</u>	<u>\$ 365,856</u>

Approved on behalf of the Board:

J. P. MILLENBACH, Director.

G. T. N. WOODROOFFE, Director.

AUDITORS' REPORT

To the Shareholders of

Canadian Malartic Gold Mines Limited:

We have examined the balance sheet of Canadian Malartic Gold Mines Limited as at December 31, 1967 and the statements of income, retained earnings and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at December 31, 1967 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada,
February 21, 1968.

THORNE, GUNN, HELLIWELL & CHRISTENSON,
Chartered Accountants.

Canadian Malartic Gold Mines Limited

STATEMENT OF INCOME

Year ended December 31, 1967
(with comparative figures for 1966)

	1967	1966
REVENUE		
Rental of plant	\$ 30,000	\$ 30,000
Net proceeds from sale of fixed assets and scrap	58,112	15,447
Interest and other income	11,135	6,297
	<u>99,247</u>	<u>51,744</u>
EXPENSES		
Administrative and corporate expense	10,764	9,876
Capital and place of business tax, prior years	3,277	
Outside exploration	2,623	
	<u>16,664</u>	<u>9,876</u>
Income before taxes	82,583	41,868
DEDUCT		
Quebec mining tax	5,688	
Income taxes	32,500	21,000
	<u>32,500</u>	<u>26,688</u>
Net income for the year	<u>\$ 50,083</u>	<u>\$ 15,180</u>

OTHER STATUTORY INFORMATION

	1967	1966
Required by Canada Corporations Act		
Remuneration of officers and employees who are directors	\$ 3,620	\$ 3,050
Required by certain provincial securities acts		
Remuneration of directors and senior officers		
Directors and officers	3,620	3,050
Other employees	6,595	5,995
	<u>\$ 10,215</u>	<u>\$ 9,045</u>

STATEMENT OF RETAINED EARNINGS

Year ended December 31, 1967
(with comparative figures for 1966)

	1967	1966
Balance at beginning of year	\$ 219,533	\$ 204,353
Net income for the year	50,083	15,180
Balance at end of year	<u>\$ 269,616</u>	<u>\$ 219,533</u>

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

Year ended December 31, 1967
(with comparative figures for 1966)

	1967	1966
SOURCE OF FUNDS		
Net income for the year	\$ 50,083	\$ 15,180
Special refundable tax	1,877	
Decrease in supplies and spare parts	15,000	
	<u>51,960</u>	<u>30,180</u>
APPLICATION OF FUNDS		
Special refundable tax	2,800	
Increase in working capital	\$ 51,960	\$ 27,380